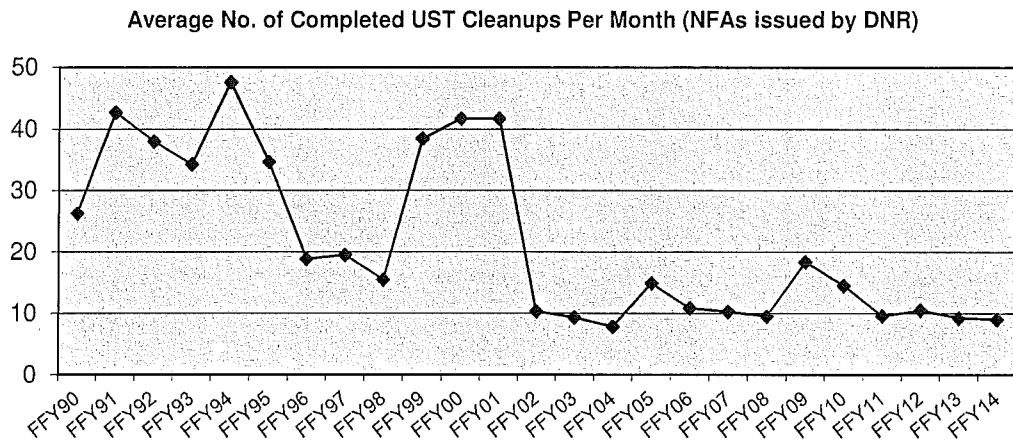


REPORT ON JOINT DNR/PSTIF BACKLOG PLAN FEBRUARY 2015

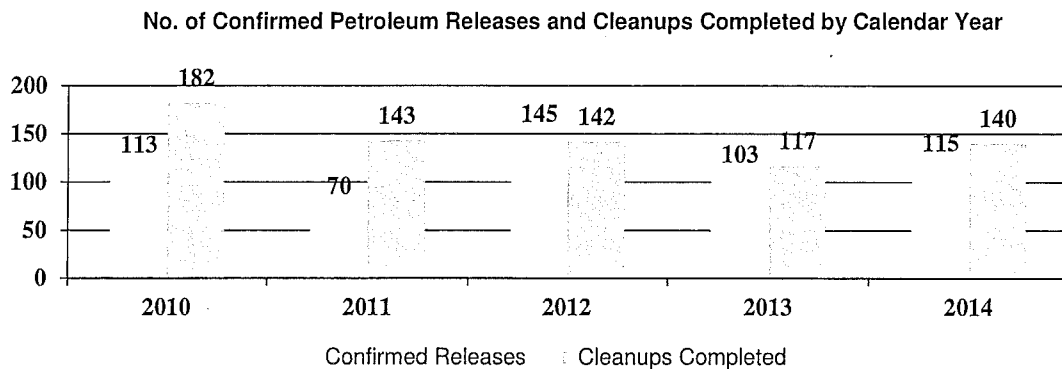
In June 2013, after an analysis of data on cleanups, PSTIF and DNR initiated discussions on how to accelerate the pace of cleanup of properties known to be impacted by petroleum tank releases. These discussions culminated in a plan, signed by both agencies in March 2014, containing specific strategies and actions. This report summarizes progress made and presents recommendations for future actions.

OVERVIEW

The Backlog Plan contained a graph showing the average number of UST cleanups completed per month, by federal fiscal year; an updated version of that chart is reproduced below:



Calendar-year data for all petroleum-related cleanups do show improvement in 2014, compared to 2013:

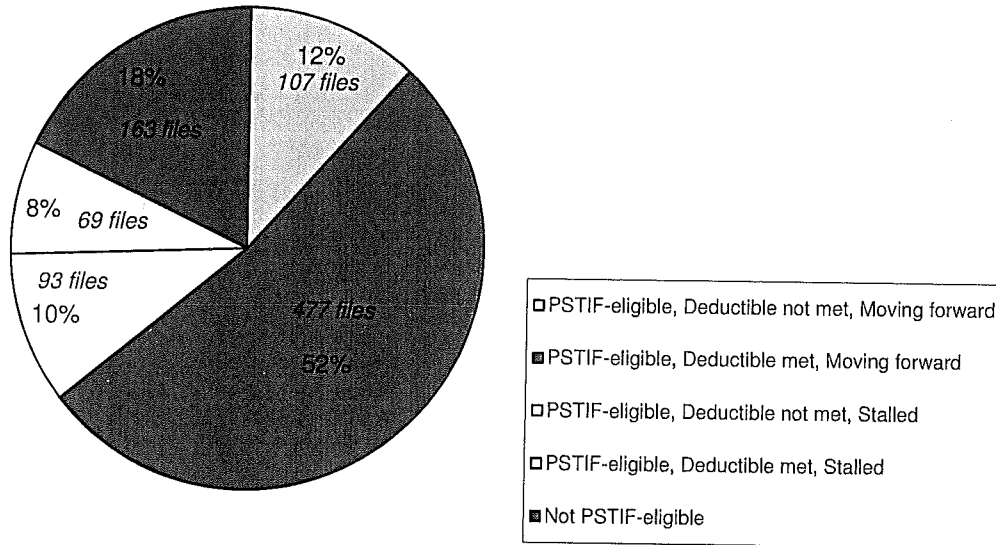


The Plan also contained a “snapshot” of the entire universe of DNR’s open UST cleanup files. As shown on the next page, the universe shrank by 1% over the 18-month period. Today, a slightly higher percentage, (20% compared to 18%), are not PSTIF-eligible.

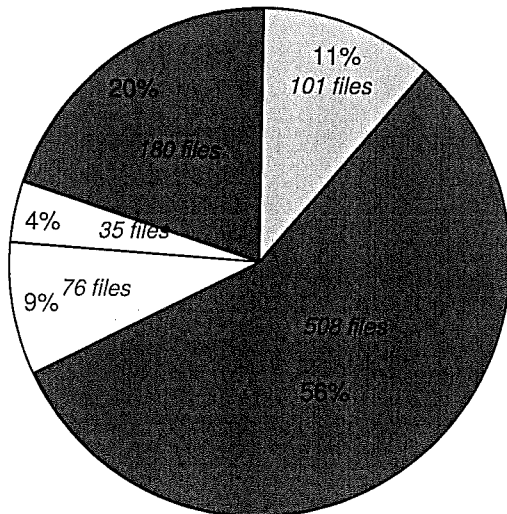
Good progress was made in reducing the number of stalled UST cleanups that are PSTIF-eligible where the deductible had already been met – from 69 to 35. Good progress was also made on reducing the number of stalled UST cleanups that are PSTIF-eligible where the deductible had not yet been met – from 93 to 76. These

improvements are reflected in the fact that 68% of PSTIF-eligible UST cleanups are now moving, compared to only 64% eighteen months ago.

DNR LUST "Backlog" - June 2013
909 Open Files



DNR LUST "Backlog" - Feb 2015
900 Open Files



More work remains to be done. Specific results of each of the Plan's strategies and actions appear on pages 4-6, followed by recommendations on page 7.

STRATEGIES, ACTIONS, AND RESULTS

Each strategy and action from the Plan is listed below, followed by a short summary of the results.

A. Improving processes to address contamination at sites where progress is not being accomplished and a viable responsible party exists.

1) Identify and focus on sites where a cleanup is unfinished and a viable party is responsible for completing it. *Efforts undertaken on 52 files succeeded in getting cleanup restarted on 30, including some where a subsequent property owner is voluntarily finishing prior owner's cleanup. For 12 files, DNR and PSTIF concluded no viable responsible party exists and DNR coded the release "abandoned" in its database. Ten responsible parties have refused to take actions; a consent judgment has been signed for one, requiring removal of the tanks by May. Efforts still underway to compel the other 9 RPs to act.*

2) Improve follow-up when the responsible party fails to act in a timely manner. *The Department identified approximately 200 sites where no action had been taken in recent years; these projects will be referred for enforcement action if the cleanup remains stalled.*

3) Change PSTIF claims rule. *Completed; effective date 3/30/15. Too early to see whether it will make cleanups more efficacious.*

4) Tanks Section Structure Improvements. *Difficult to quantify; addition of engineer to Tanks Section has enhanced technical capabilities.*

B. Providing training to consultants so they better understand what the DNR expects/requires in doing site characterization, risk assessment, or corrective action activities.

1) Clarify and streamline requirements. *Consultants have been slow to begin using 2013 RBCA Guidance; those who have done so have noted improvements.*

2) Clarify which documents related to site characterization, risk assessment and corrective action must contain a professional seal. *Done; this issue has been essentially eliminated as a reason for requiring documents to be resubmitted.*

3) Provide training:

- a. February/March 2014: Free training via webinar on "How to Prepare a Risk Assessment Report;"** to be prepared and presented by DNR's Laura Luther. The training will be developed in coordination with PSTIF's Dan Henry. *Completed November 6th. Webinar was posted on PSTIF website and is currently available to anyone.*
- b. April 2014: Interstate Technology & Regulatory Council (ITRC's) Light Non-aqueous Phase Liquid (LNAPL) training** will be held in

Kansas City. Several members of the Tanks Section and PSTIF will attend this training. The DNR and PSTIF also will disseminate notice of this training opportunity to environmental consultants who are doing or have recently done tank site cleanups in Missouri. Sixteen DNR personnel, three PSTIF personnel, and approximately thirty consultants who do tank site cleanups in Missouri attended. (Other PSTIF adjusters previously attended the same training in Illinois.) Excellent training; provided foundation for ongoing efforts to develop a "How To" bulletin on free product recovery.

- c. **May/June: Free webinar on BOS200, Regenisis, Eco-Vac services, or other remedial technology, with Missouri case study.** BOS200 Webinar done on July 17. Approximately 28 parties participated. The Webinar has since been posted to the PSTIF website; four persons have subsequently viewed the webinar.
- d. **September/October: Repeat: "How to Prepare a Risk Assessment" webinar.** See above.
- e. **November/December: Free training via webinar on a site characterization or remediation technology.** Webinar on "Horizontal Drilling" was offered on November 21; approximately twenty five parties participated.
- f. **The DNR will continue to provide training to tank site consultants as part of the Annual Missouri Waste Coalition Control Conference at the Lake of the Ozarks.** Done; limited consultant participation.

- 4) **Continue investing in staff training.** PSTIF Claims Manager and one DNR Tanks Section employee attended "Lust Corrective Action Backlog" training in California on October 1-2. Two additional PSTIF staff participated in ITRC's LNAPL training since the training session was held in Kansas City.

- 5) **Alert consultants of and encourage their participation in other available training opportunities.** DNR offered a 2/17/15 webinar to consultants on using persulfate injections as a remediation technology.

C. Enhancing communication to resolve issues in occasional situations where the DNR/PSTIF/consultant disagree on what should be done or how it should be done.

Substantial progress in this area. PSTIF Claims adjusters and DNR Tanks Section staff have become better acquainted and have resolved numerous issues at their level. A notable example is a file in North Kansas City, (where there was previously third party litigation); the new owner of adjacent property was unable to get a local building permit. PSTIF and DNR collaborated with the owner, his architect, and city officials, resulting in issuance of the permit.

PSTIF Claims Manager and DNR Tanks Section Chief have discussed and resolved issues on 5 files; they have discussed another 15 files and agreed on a compromise action plan.

Three disputes, (one involves 4 release files), have been referred to PSTIF Executive Director and DNR Deputy Division Director since Backlog Plan was implemented; one has been resolved; the other two are still pending.

D. Identifying cleanups where progress has not occurred because there was no viable responsible party (abandoned sites).

Both PSTIF and DNR expended considerable effort on this, with good progress made. To date, 173 UST and AST releases have been coded in DNR's database as "abandoned," meaning there is no viable responsible party. DNR expects is evaluating the status of this project.

E. Reducing paperwork demands on consultants so that they can focus on data collection, risk assessment, and remediation activities.

PSTIF initially identified six claims at five sites as candidates for pay for performance (PFP) contracts; negotiations are underway on four of them.

Additionally, on four files, PSTIF worked with the consultants to bid multi-stage work as a lump sum, reducing the consultants' bid preparation time, adjuster review time, and paperwork.

RECOMMENDATIONS

- DNR will finish file reviews, make decisions, and code abandoned releases in its database so all parties will know how many LUST files are “stalled” and which ones they are; tentatively, it is anticipated this task should be completed by mid-April.
- Continue to offer training to consultants; specifically –
 - DNR will host a webinar on “LIF” on March 27, 2015.
 - A joint-PSTIF/DNR webinar on Missouri’s One-Call Law is planned for May 2015.
 - A joint PSTIF/DNR webinar on how to prepare boring logs will be offered in July 2015.
 - A joint PSTIF/DNR webinar on DNR’s pump test requirements will be offered in September 2015.
- PSTIF Claims Manager and DNR Tanks Section Chief will review the 27 PSTIF “pre-existing remedial claims.” (I.e., where a release was confirmed before the tanks were insured, the tanks that leaked are still in use, and PSTIF benefits will be lost if coverage lapses.) They will jointly set target dates for getting each cleanup finished, (i.e., a NFA letter issued), and will provide that information to management by June 1, 2015. They will then track and report progress quarterly until the 27 cleanups are completed or abandoned.